

Reasonable and Necessary Determination for Business Expense

Name of Grantee/Sponsor

Name and Address of Project:

Circle Funding: HOME, CDBG, HOPWA, SHP, NSP, CDBG-R, Public Housing, Sec 202/811

Name, Address and Type of Business

Name and Address of Owner (Employed or Self-Employed):

Description of Business Expense

Issue Being Determined: Whether the business relocation expense is reasonable and necessary.

Criteria Being Applied: 49 CFR 24.301

Take the following actions and review supporting documents in making your final determination

1. Determine if the expense qualifies as a moving expenses or a re-establishment expense? If yes, reclassify according the proper eligibility category. If properly classified as re-establishment expenses and re-establishment expenses have been exceeded then HUD funds cannot pay for the expense. (Explore another funding source for this expense).
2. Determine if the expense expressly listed as ineligible? If yes, costs are not eligible and HUD funds cannot pay for it. (Explore other funding source for this expense)
3. Review documents supporting why the expense is “necessary to business”. Is the case made?
4. Review the reasonableness of the expense by reviewing bids and other financial documents. Is the expense prohibitive by any reasonable standard? Are there other, less expensive options that should be used instead? (Note: the higher the amount of relocation the more detailed the analysis should be.)

Determination and Rationale for Determination that Relocation Costs are Reasonable and Necessary

Authorized Official’s Signature

AUTHORIZED OFFICIAL’S NAME AND TITLE

Date of Determination

List of Supporting Documents attached to support conclusion: Explanation of expense being claimed as reasonable/necessary, statement from business owner why the expense is necessary to business, documentation supporting expenses is reasonable and necessary, rationale for determining expense is not eligible as a moving or re-establishment expense.